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DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-601]

Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, from the People's Republic of China: Preliminary Results and Preliminary Rescission of New Shipper Review; 2015-2016

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

SUMMARY: The Department of Commerce (the Department) is conducting an administrative review (AR) and a new shipper review (NSR) of the antidumping duty order on tapered roller bearings and parts thereof, finished and unfinished (TRBs), from the People's Republic of China (PRC). The AR covers six exporters, of which the Department selected two mandatory respondents for individual examination (*i.e.*, Zhejiang Zhaofeng Mechanical & Electronic Co, Ltd. (Zhaofeng); and Zhejiang Zhengda Bearing Co., Ltd. (Zhengda)). The NSR covers Zhejiang Jingli Bearing Technology Co., Ltd. (Zhejiang Jingli). The period of review (POR) is June 1, 2015, through May 31, 2016.

We preliminarily determine that sales of subject merchandise have been made below normal value (NV). In addition, we preliminarily determine that Zhejiang Jingli's sale to the United States is not *bona fide*. Therefore, we are preliminarily rescinding this NSR. If these preliminary results are adopted in the final results of this review, we will instruct U.S. Customs and Border Protection (CBP) to assess antidumping duties on all appropriate entries. Interested parties are invited to comment on these preliminary results.

DATES: Effective [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER].

FOR FURTHER INFORMATION CONTACT: Andrew Medley or Whitley Herndon, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, N.W., Washington, D.C. 20230; telephone: (202) 482-4987 or (202) 482-6274, respectively.

SUPPLEMENTARY INFORMATION:

Scope of the Order

The merchandise covered by the order includes tapered roller bearings and parts thereof. The subject merchandise is currently classifiable under Harmonized Tariff Schedule of the United States (HTSUS) subheadings: 8482.20.00, 8482.91.00.50, 8482.99.15, 8482.99.45, 8483.20.40, 8483.20.80, 8483.30.80, 8483.90.20, 8483.90.30, 8483.90.80, 8708.70.6060, 8708.99.2300, 8708.99.4850, 8708.99.6890, 8708.99.8115, and 8708.99.8180. The HTSUS subheadings are provided for convenience and customs purposes only; the written description of the scope of the order is dispositive.<sup>1</sup>

Preliminary Rescission of the NSR

As discussed in the Bona Fides Analysis Memorandum,<sup>2</sup> the Department preliminarily finds that the single sale made by Zhejiang Jingli to the United States during the POR is not a *bona fide* sale, as required by section 751(a)(2)(B)(iv) of the Tariff Act of 1930, as amended (the

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<sup>1</sup> For a complete description of the scope of the order, *see* memorandum from Gary Taverman, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, to Ronald K. Lorentzen, Acting Assistant Secretary for Enforcement and Compliance, entitled “Decision Memorandum for the Preliminary Results of the 2015-2016 Antidumping Duty Administrative Review and New Shipper Review of Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, from the People’s Republic of China” (Preliminary Decision Memorandum), issued concurrently with and hereby adopted by this notice.

<sup>2</sup> *See* Memorandum, “New Shipper Review of Tapered Roller Bearings and Parts Thereof from the People’s Republic of China: Analysis of Zhejiang Jingli Bearing Technology. Ltd.’s Bona Fides as a New Shipper,” dated June 29, 2017.

Act).<sup>3</sup> The Department reached this conclusion based on the totality of the circumstances surrounding the reported sale, including:

(I) the prices of such sales; (II) whether such sales were made in commercial quantities; (III) the timing of such sales; (IV) the expenses arising from such sales; (V) whether the subject merchandise involved in such sales was resold in the United States at a profit; (VI) whether such sales were made on an arms-length basis; and (VII) any other factor {it} determines to be relevant as to whether such sales are, or are not, likely to be typical of those the exporter or producer will make after completion of the review.<sup>4</sup>

Because the non-*bona fide* sale was the only reported sale of subject merchandise during the POR, and thus there are no reviewable transactions on this record, we are preliminarily rescinding the NSR. Because much of the factual information used in our analysis of Zhejiang Jingli's sale involves business proprietary information, a full discussion of the basis for our preliminary determination is set forth in the Bona Fides Analysis Memorandum.

#### Methodology

The Department is conducting this review in accordance with section 751(a)(1)(B) of the Act. As noted above, there are two mandatory respondents in this administrative review: Zhaofeng and Zhengda. For Zhaofeng, we calculated export prices in accordance with section 772 of the Act. In addition, we based the preliminary dumping margin for certain unreported sales discovered as a result of verification on adverse facts available (AFA).<sup>5</sup> Because the PRC is a non-market economy (NME) within the meaning of section 771(18) of the Act, NV has been calculated in accordance with section 773(c) of the Act.

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<sup>3</sup> On February 24, 2016, the President of the United States signed into law the Trade Facilitation and Trade Enforcement Act of 2015, Public Law 114–125 (February 24, 2016), which made amendments to section 751(a)(2)(B) of the Act. These amendments apply to this determination.

<sup>4</sup> See section 751(a)(2)(B)(iv) of the Act.

<sup>5</sup> See Preliminary Decision Memorandum, at “Application of Facts Available and use of Adverse Interferences.”

For Zhengda, we preliminarily find that this respondent is ineligible for a separate rate because it has failed to demonstrate an absence of *de facto* government control in this administrative review. Therefore, we did not calculate a separate margin for Zhengda.

For a full description of the methodology underlying our conclusions, *see* the Preliminary Decision Memorandum. The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>, and to all parties in the Central Records Unit, room B8024 of the main Department of Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be found at <http://enforcement.trade.gov/frn/>. The signed Preliminary Decision Memorandum and the electronic version of the Preliminary Decision Memorandum are identical in content. A list of the topics discussed in the Preliminary Decision Memorandum is attached as the Appendix to this notice.

#### Rate for Non-Examined Companies Which Are Eligible for a Separate Rate

As indicated in the "Preliminary Results of Review" section below, we preliminarily determine that a margin of 76.93 percent applies to the three firms not selected for individual review but determined to be eligible for a separate rate. For further information, *see* the Preliminary Decision Memorandum at "Separate Rate Assigned to Non-Selected Companies."

#### Preliminary Results of Review

Two companies involved in the administrative review, Zhengda and Yantai CMC Bearing Co. Ltd./CMC Bearing Co. Ltd. (Yantai CMC) did not demonstrate that they were

entitled to a separate rate.<sup>6</sup> Therefore, the Department preliminarily finds Zhengda and Yantai CMC to be part of the PRC-wide entity.<sup>7</sup> The rate previously established for the PRC-wide entity is 92.84 percent.

The Department preliminarily determines that the following weighted-average dumping margins exist for the period June 1, 2015, through May 31, 2016:

<b>Exporters</b>	<b>Weighted-Average Percent Margins</b>
Zhejiang Zhaofeng Mechanical & Electronic Co, Ltd.	76.93
GSP Automotive Group Wenzhou Co., Ltd.*	76.93
Hangzhou Yonggu Auto-Parts C., Ltd.*	76.93
Zhejiang CTL Auto Parts Manufacturing Incorporated Co., Ltd.*	76.93

\*This company was not selected as a mandatory respondent but is subject to this administrative review and demonstrated that it qualified for a separate rate in this administrative review.

#### Disclosure and Public Comment

The Department will disclose calculations performed for these preliminary results to the parties within five days of the date of publication of this notice in accordance with 19 CFR 351.224(b). Interested parties may submit case briefs no later than 30 days after the date of

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<sup>6</sup> With respect to Yantai CMC, we note that the *Initiation Notice* listed this company as “Yantai CMC Bearing Co. Ltd./CMC Bearings Co. Ltd.” However, the review request was for Yantai CMC Bearing Co. Ltd./CMC Bearing Co. Ltd. This notice corrects the *Initiation Notice* and clarifies that this review covers Yantai CMC Bearing Co. Ltd./CMC Bearing Co. Ltd. See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 81 FR 53121 (August 11, 2016) (*Initiation Notice*).

<sup>7</sup> See Preliminary Decision Memorandum, at 12-13. Pursuant to the Department’s change in practice, the Department no longer considers the NME entity as an exporter conditionally subject to administrative reviews. See *Antidumping Proceedings: Announcement of Change in Department Practice for Respondent Selection in Antidumping Duty Proceedings and Conditional Review of the Nonmarket Economy Entity in NME Antidumping Duty Proceedings*, 78 FR 65963, 65970 (November 4, 2013). Under this practice, the NME entity will not be under review unless a party specifically requests, or the Department self-initiates, a review of the entity. Because no party requested a review of the entity, the entity is not under review and the entity’s rate is not subject to change.

publication of these preliminary results of review.<sup>8</sup> Rebuttals to case briefs may be filed no later than five days after case briefs are filed and all rebuttal briefs must be limited to comments raised in the case briefs.<sup>9</sup> Parties who submit comments are requested to submit with the argument: 1) a statement of the issue; 2) a brief summary of the argument; and 3) a table of authorities.<sup>10</sup>

Any interested party may request a hearing within 30 days of publication of this notice.<sup>11</sup> Hearing requests should contain the following information: (1) the party's name, address, and telephone number; (2) the number of participants; and (3) a list of the issues to be discussed. Oral presentations will be limited to issues raised in the briefs.<sup>12</sup> If a request for a hearing is made, parties will be notified of the time and date for the hearing to be held at the U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230.<sup>13</sup>

All submissions, with limited exceptions, must be filed electronically using ACCESS. An electronically filed document must be received successfully in its entirety by 5 p.m. Eastern Time (ET) on the due date. Documents excepted from the electronic submission requirements must be filed manually (*i.e.*, in paper form) with the APO/Dockets Unit in Room 18022 and stamped with the date and time of receipt by 5 p.m. ET on the due date.

Unless otherwise extended, the Department intends to issue the final results of this administrative review, which will include the results of its analysis of all issues raised in the case

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<sup>8</sup> See 19 CFR 351.309(c)(1)(ii).

<sup>9</sup> See 19 CFR 351.309(d).

<sup>10</sup> See 19 CFR 351.309(c)(2).

<sup>11</sup> See 19 CFR 351.310(c).

<sup>12</sup> *Id.*

<sup>13</sup> See 19 CFR 351.310(d).

briefs, within 120 days of publication of these preliminary results, pursuant to section 751(a)(3)(A) of the Act.

#### Assessment Rates

Upon issuance of the final results of the administrative review, the Department will determine, and CBP shall assess, antidumping duties on all appropriate entries covered by this review.<sup>14</sup> For Zhaofeng, which has a weighted-average dumping margin which is not zero or *de minimis* (i.e., less than 0.5 percent), we will calculate importer-specific *ad valorem* duty assessment rates based on the ratio of the total amount of dumping calculated for the importer's examined sales to the total entered value of those sales, in accordance with 19 CFR 351.212(b)(1). For entries that were not reported in the U.S. sales databases submitted by Zhaofeng, the Department will instruct CBP to liquidate such entries at either the AFA rate (related to sales discovered as a result of verification, which will be identified in the liquidation instructions by the applicable customer name)<sup>15</sup> or the PRC-wide rate (for sales made by resellers).

For the respondents which were not selected for individual examination in this administrative review and which qualified for a separate rate, the assessment rate will be equal to the weighted-average dumping margin assigned to Zhaofeng in the final results of this administrative review. For the final results, if we continue to treat Yantai CMC and Zhengda as part of the PRC-wide entity, we will instruct CBP to apply an *ad valorem* assessment rate of

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<sup>14</sup> See 19 CFR 351.212(b)(1).

<sup>15</sup> See Preliminary Decision Memorandum, at "Application of Facts Available and use of Adverse Interferences."

92.84 percent, the current rate established for the PRC-wide entity, to all entries of subject merchandise during the POR which were exported by Yantai CMC and Zhengda.

If we proceed to a final rescission of the NSR, Zhejiang Jingli's entries will be assessed at the rate entered. If we do not proceed to a final rescission of the NSR, pursuant to 19 CFR 351.212(b)(1), we will calculate an importer-specific assessment rate for Zhejiang Jingli. We will instruct CBP to assess antidumping duties on all appropriate entries covered by this NSR if the importer-specific assessment rate calculated in the final results of this NSR is above *de minimis*.

We intend to issue assessment instructions to CBP 15 days after the publication of the final results of these reviews.

#### Cash Deposit Requirements

The following cash deposit requirements will be effective upon publication of the final results of this administrative review for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided for by section 751(a)(2)(C) of the Act: (1) for the exporters listed above which have a separate rate, the cash deposit rate will be the rate established in the final results of this review (except, if the rate is zero or *de minimis*, then a cash deposit rate of zero will be established for that company); (2) for previously investigated or reviewed PRC and non-PRC exporters not listed above that have separate rates, the cash deposit rate will continue to be the exporter-specific rate published for the most recently completed segment of this proceeding; (3) for all PRC exporters of subject merchandise that have not been found to be entitled to a separate rate, the cash deposit rate will be the rate for the PRC-wide entity, 92.84 percent; and (4) for all non-PRC exporters of subject merchandise which have not received their own rate, the cash deposit rate will be the rate



applicable to the PRC exporter(s) that supplied that non-PRC exporter. These deposit requirements, when imposed, shall remain in effect until further notice.

If the Department proceeds to a final rescission of the NSR, the cash deposit rate will continue to be the PRC-wide rate for Zhejiang Jingli because the Department will not have determined an individual margin of dumping for this company. If the Department issues final results for the NSR, the Department will instruct CBP to collect a cash deposit, effective upon the publication of the final results, at the rate established therein.

#### Notification to Importers

This notice also serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Secretary's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

We are issuing and publishing these preliminary results of review and preliminary rescission in accordance with sections 751(a)(1), 751(a)(2)(B) and 777(i)(1) of the Act, and 19 CFR 351.221(b)(4).

*Dated: June 29, 2017.*

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Ronald K. Lorentzen  
Acting Assistant Secretary  
for Enforcement and Compliance

## **Appendix I**

### **List of Topics Discussed in the Preliminary Decision Memorandum**

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3. Scope of the Order
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5. *Bona Fides* Analysis
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